

Idaho Legislative Audits
P.O. Box 83720
Boise, ID 83720-0054
208-334-2475



Idaho Alfalfa and Clover Seed Commission

Management Report on Internal Control

Issued: December 15, 2003
Fiscal Year: 2002 and 2003



EXECUTIVE SUMMARY LEGISLATIVE AUDITS

IDAHO ALFALFA AND CLOVER SEED COMMISSION

PURPOSE AND SCOPE. We have audited the financial statements of the Idaho Alfalfa and Clover Seed Commission for the fiscal years ended June 30, 2002 and 2003, in accordance with auditing standards generally accepted in the United States of America. The purpose of our audit is to determine if the Commission's financial statements are materially accurate and reliable, and that the Commission complied with laws and regulations affecting fiscal operations.

CONCLUSION. We conclude that the Commission's financial statements are materially accurate and reliable, and fiscal operations materially comply with related laws and regulations. As a result, we issued an unqualified opinion on the Commission's financial statements.

FINDINGS AND RECOMMENDATIONS. There are no findings and recommendations in this report, nor were there any findings and recommendations in the prior report.

AGENCY RESPONSE. The Commission has reviewed the report and is in general agreement with its contents.

FINANCIAL SUMMARY. The Commission is primarily funded by a \$0.0035 per pound tax on clean alfalfa and clover seed sold through primary channels in Idaho.

IDAHO ALFALFA AND CLOVER SEED COMMISSION – FINANCIAL STATEMENTS

Balance Sheet

	<u>June 30, 2002</u>	<u>June 30, 2003</u>
ASSETS		
Cash	\$52,583	\$21,273
Investments	100,519	103,742
Receivables	<u>1,600</u>	<u>0</u>
Total Assets	<u>\$154,702</u>	<u>\$125,015</u>
LIABILITIES AND FUND BALANCE		
Accounts Payable	<u>\$117</u>	<u>\$69</u>
Total Liabilities	<u>\$117</u>	<u>\$69</u>
Fund Balance:		
Unreserved Fund Balance	<u>154,585</u>	<u>124,946</u>
Total Liabilities and Fund Balance	<u>\$154,702</u>	<u>\$125,015</u>

Statement of Revenues, Expenditures, and Changes in Fund Balances

	<u>June 30, 2002</u>	<u>June 30, 2003</u>
REVENUES		
Gross Seed Tax Assessments	\$64,473	\$4,429
Assessment Refunds	<u>(2,948)</u>	<u>0</u>
Net Seed Tax Assessments	\$61,525	\$4,429
Interest Income	4,508	3,223
Other Receipts	<u>1,623</u>	<u>0</u>
Total Revenues	<u>\$67,656</u>	<u>\$7,652</u>
EXPENDITURES		
Administrative Expenses	\$40,289	\$31,991
Grant Expenses	<u>20,666</u>	<u>5,300</u>
Total Expenditures	<u>\$60,955</u>	<u>\$37,291</u>
Excess (Deficiency) of Revenues Over Expenditures	\$6,701	(\$29,639)
Beginning Fund Balance	<u>147,884</u>	<u>154,585</u>
Ending Fund Balance	<u>\$154,585</u>	<u>\$124,946</u>

The decrease of seed tax assessments in fiscal year 2003 is because the Commission waived the tax assessment on the 2002 crop. These assessments would have been collected in fiscal year 2003.

OTHER ISSUES. We discussed other, less important issues which, if changed, would improve internal control, ensure compliance, or improve efficiency.

This report is intended solely for the information and use of the Idaho Alfalfa and Clover Seed Commission and the Idaho Legislature and is not intended to be, and should not be, used by anyone other than these specified parties.

We thank the administrator, Brad Hoaglund, and his staff for their assistance and cooperation given to us during this audit.

QUESTIONS CONCERNING THIS AUDIT SHOULD BE DIRECTED TO:

Ray Ineck, CGFM, Supervisor, Legislative Audits
Thomas Haddock, CPA, CGFM, Managing Auditor